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THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1330.
FILED, JULY 22nd. 1965.

THE DELTONA CORPORATION

Organized under the laws of the State of Delaware, one of the United States of America, by Certificate of Incorporation as of September 24th, 1962.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953

(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous

FILING STATEMENT

Filing Statement No. 878.

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.

See Schedule "A" attached on pages 4 to 6.

2. Head office address and any other office address.

The head office of the Company is located at 229 South State Street, in the City of Dover, County of Kent, in the State of Delaware, U.S.A.

The Executive Offices of the Company are located at 3250 SW Third Avenue, Miami, Florida.

The principal business office in Canada is 66 Mohawk Street, Brantford, Ontario.

3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.

DIRECTORS

Name	Address	Occupation
Lewis B. Carr	22 W. 48th St., New York 36, N.Y.	Attorney
Jas. A. Doyle	22 W. 48th St., New York 36, N.Y.	Certified Public Accountant
Julius E. Davis	Rand Tower, Minneapolis 2.	Attorney
Elliot J. Mackle	3250 S.W. 3rd Ave., Miami 45, Florida.	Executive
Frank E. Mackle, Jr.	3250 S.W. 3rd Ave., Miami 45, Florida.	Executive
Robert Mackle	3250 S.W. 3rd Ave., Miami 45, Florida.	Executive
N.K. Winston	22 W. 48th St., New York 36, N.Y.	Executive
Harold Lane	354 Park Avenue S., New York 36, N.Y.	Executive
Neil Bahr	3250 S.W. 3rd Ave., Miami 45, Florida.	Executive

OFFICERS

Position	Name	Address
Chairman of the Board	Norman K. Winston	22 W. 48th St., New York 36, N.Y.
President	Frank E. Mackle, Jr.	3250 S.W. 3rd Ave., Miami 45, Florida.
Executive Vice-President	Elliott J. Mackle	3250 S.W. 3rd Ave., Miami 45, Florida.
Secretary-Treasurer	Robert F. Mackle	3250 S.W. 3rd Ave., Miami 45, Florida.
Vice-President - Sales	Neil E. Bahr	3250 S.W. 3rd Ave., Miami 45, Florida.
Vice-President - Utilities	Carl S. Burbridge	3250 S.W. 3rd Ave., Miami 45, Florida.
Vice-President - Public Relations	John F. Bonner	3250 S.W. 3rd Ave., Miami 45, Florida.
Vice-President - Assistant Secretary	James A. Doyle	3250 S.W. 3rd Ave., Miami 45, Florida.
Vice-President - Subsidiary Operations	A.J. Fay	3250 S.W. 3rd Ave., Miami 45, Florida.
Vice-President - Finance and Development - Assistant Secretary	William H. O'Dowd	3250 S.W. 3rd Ave., Miami 45, Florida.
Vice-President - Architecture and Engineering	James E. Vensel	3250 S.W. 3rd Ave., Miami 45, Florida.
Comptroller - Assistant Secretary	Harold W. Fenno	3250 S.W. 3rd Ave., Miami 45, Florida.
Assistant Secretary	John S. Douglas	66 Mohawk Street, Brantford, Ontario.

4. Share capitalization showing authorized and issued and outstanding capital.

The authorized capital consists of 1,600,000 common shares with a par value of \$1 (U.S.) each of which 1,296,295 shares (excluding 33,300 common shares reacquired and held in treasury by the Company) are issued and outstanding as at the close of business on April 14th, 1965.

The said 33,300 common shares were re-acquired by the Company on the open market between December 27, 1962 and December 10, 1963, at an aggregate purchase price of \$421,103.00 U.S., and are held for the benefit of the treasury.

5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.

The Company had outstanding as of December 31st, 1964, mortgages payable of \$8,244,228, and notes and loans payable to banks (including approximately \$1,033,000 and \$3,941,000 due within one year of that date) totalling \$7,945,702. Further details of these mortgages, notes and loans are contained in Notes 4 and 5 respectively to the Financial Statements of the Company as of December 31st, 1964, on file with The Toronto Stock Exchange.

6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.

On February 19th, 1963, the Company granted with the subsequent approval of its stockholders, restricted stock options, as that term is defined in Section 421 of the Internal Revenue Code of 1954, to purchase an aggregate of 68,500 shares of the Company's common stock, to 16 individuals who were on that date employees of the Company or its subsidiaries. No optionee received options to purchase more than 5,000 shares. Options to purchase an aggregate of 48,500 of such shares were granted to 12 individuals at 95% of the market value of the Company's common stock on February 19th, 1963, or \$11.756 (U.S.) per share and, options to purchase an aggregate of 20,000 of such shares were granted to four individuals at 110% of the market value of the Company's common stock on that date or \$13.612 (U.S.) per share. All such options are exercisable by the optionees, after the date of approval by stock holders, within five years of the date of grant at the annual rate of 20% of the number of shares granted cumulatively. All options granted expire on February 19th, 1968. As of December 31st, 1964, the number of optioned shares hereunder stood at 56,000 by reason of the fact that three of the employees (Mann Berg, Irving Mann and Stanton D. Sanson listed in Schedule "G") were no longer employed by the Company and their rights under the restricted stock option had terminated.

7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.

All of the options granted by the Company are identical and a copy of the restricted stock option is on file with The Toronto Stock Exchange. There is set forth below a list of the names of the optionees, the number of shares optioned and the purchase price:

Name of Optionee	Number of Shares Optioned	Option Price
Neil E. Bahr	5,000	\$11.756
Mann Berg	2,500	11.756
John P. Bonner	5,000	11.756
Carl S. Burbridge	5,000	11.756
James A. Doyle	5,000	11.756
A.J. Fay	5,000	11.756
Herold W. Ferro	2,500	11.756
Robert Mackle	5,000	13.612
Elliott Mackle	5,000	13.612
Frank E. Mackle, Jr.	5,000	13.612
Irving Mann	5,000	11.756
Alfred Louis Misurelli	2,500	11.756
William H. O'Dowd, Jr.	5,000	11.756
James E. Vensel	5,000	11.756
Billy Dale Vessels	1,000	11.756
Stanton D. Sanson	5,000	13.612

8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.

Not applicable

9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.

The Company presently intends to continue to be primarily engaged in a comprehensive real estate business.

10. Brief statement of company's chief development work during past year.

The Company has not undertaken any development work out of the ordinary course of business during the past year when it was primarily concerned in the development of its Deltons and Marco Island properties in the State of Florida, U.S.A. Further particulars of these developments are found in the 1964 Annual Report of the Company on file with The Toronto Stock Exchange.

11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.

Not applicable

12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.

Not applicable

13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.

None

14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)

Not applicable

15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.

The names, addresses and share holdings as at May 7, 1965, of the five largest registered shareholders of the Company are as follows:

Name	Address	Share Holdings
** The Mackle Company, Inc.	3250 S.W. 3rd Ave., Miami 45, Florida	291,000 shares
* Francis I. Dupont & Co.	149 Broadway, New York 6, N.Y.	168,863 shares
** Norman K. Winston	22 W. 48th St., New York 36, N.Y.	184,809 shares
* Egger & Co.	c/o The Chase Manhattan Bank, P.O. Box 1508, New York, N.Y.	69,952 shares
** Stanton D. Sanson	Suite 101, 10295 Collins Ave., Bal Harbour, Florida	47,361 shares

* Beneficial owners unknown.

** Beneficial owner.

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.

The Company is informed that the officers and directors of the Company, as a group, including Norman K. Winston, Elliot J. Mackle, Frank E. Mackle, Jr., Robert Mackle and Julius E. Davis, the addresses of whom are set out in item 3, may hold beneficially, directly or indirectly, in the aggregate sufficient shares to effect control of the Company.

17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.

As of December 31, 1964, the investment of the Company in shares of its wholly owned subsidiary, Brantford Coach and Body Limited, was carried on the books of the Company at U.S. \$3,021,482. The Company owns a 50% interest in Marco Island Development Corporation. The Company owns all of the Class "A" shares of Marco Island Development Corporation which have a par value of \$1 each. The Company has paid a total of \$750,000 in respect of these Class "A" shares, \$30,000 representing the aggregate par value of said shares and \$720,000 representing paid in surplus. For further particulars of these investments reference is made in the 1964 financial statements of the Company and to Notes Nos. 1 and 8 to the financial statements on file with the Toronto Stock Exchange.

18. Brief statement of any lawsuits pending or in process against company or its properties.

No law suit is pending or in process against the Company or its property where the outcome, if adverse to the Company, would materially, adversely affect the business or financial condition of the Company.

19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.

None not already reported to The Toronto Stock Exchange.

This is a proposed transaction as of the date hereof, and is conditional upon the conditions specified in the agreement, details of which are set out below. The full price payable (referred to in clause 2 below) cannot be determined until after the closing date and will be disclosed in an amended filing statement when it has been determined.

Brantford Coach and Body Limited, the wholly-owned subsidiary of the Company, and FRP Products Limited, the wholly-owned subsidiary of Brantford Coach and Body Limited, have entered into an agreement with Novo Industrial Corporation, a corporation organized under the laws of the State of New York, U.S.A., pursuant to the terms of which Brantford Coach and Body Limited will sell and transfer certain of its assets including all of the issued and outstanding preference and common shares of the capital stock of its wholly-owned subsidiary, Brantford Coach Realty Limited, the consignment of certain of its inventory and the collection of its notes and accounts receivable, and FRP Products Limited will sell certain of its assets. A summary of the agreement is set forth below.

Summary of agreement dated May 21st, 1965, between Brantford Coach and Body Limited (herein called "Brantford") and FRP Products Limited (herein called "FRP"), herein sometimes collectively called the "Sellers", and Novo Industrial Corporation (herein called "Novo"),

The following summary is not complete and reference should be made to the agreement for the full terms and provisions.

1. Subject to the conditions of the agreement:

(a) Brantford agrees:

(i) to sell and Novo agrees to purchase on the Closing Date all of the issued and outstanding shares consisting of 6,500 preference shares and 1,000 common shares of Brantford Coach Realty Limited, a company incorporated under the laws of Ontario by Letters Patent dated February 16th, 1958 (herein called "Realty").

(ii) to sell and Novo agrees to cause Realty, as the wholly-owned subsidiary of Novo, to purchase all of the work in process inventory of Brantford together with all raw materials of Brantford on the Closing Date necessary to complete such work in process (in the agreement collectively referred to as the "Sale Inventory"), on the terms and at the value specified in the agreement.

(iii) to consign to Realty under a separate Consignment Agreement, a copy of which is attached to the agreement as Exhibit C, the remainder of the inventory of Brantford other than certain new or used trailers (in the agreement referred to as the "Consigned Inventory") as of the Closing Date and the inventory so consigned by Brantford to Realty under the said Consignment Agreement will be "sold" (as such term is defined therein) by Realty within the times limited by and on the terms specified in the said Consignment Agreement and the purchase price of any of the inventory so consigned and sold will be paid to Brantford without any deduction therefrom.

(iv) to repurchase any work in process included in the Sale Inventory (under sub-paragraph (ii) of paragraph (a) of clause 1 above) not sold by Realty prior to the expiration of four months from the Closing Date and at a price to be determined in accordance with the agreement, and all such work in process repurchased as aforesaid will be consigned to Realty upon the same terms and conditions as contained in the said Consignment Agreement.

(b) The Sellers agree to sell and Novo agrees to purchase for Realty, as a wholly-owned subsidiary of Novo:

(i) all of the Sellers' fixed assets of every kind, class and description (except the real property owned by Brantford), including but not limited to machinery, equipment, furniture, fixtures, office equipment, automobiles, trucks, tractors and other motor vehicles, trailers (including trailers under lease to others, but excluding new or used trailers held for sale or resale to customers of Brantford in the ordinary course of its business which are carried by Sellers in inventory), tools, dies, jigs, patterns, drawings and blueprints;

(ii) all of the Sellers' goodwill and rights to the use of the name "Brantford" and their rights or interests in, to or under all patents, patent applications, trademarks, trademark registrations and applications therefor; copyrights, copyright registrations and applications therefor, whether issued or pending; all trade names, labels and other trade rights, whether or not registered; all inventions, discoveries, improvements, processes, formulae, trade secrets, and other know-how, whether patentable or not; and all licenses and other agreements to be assumed by Realty hereunder, subject to obtaining consent to assignment where necessary.

2. The price payable for the assets described in:

(a) - Clause 1 (a) (i) hereof will be \$73,230.76 (Canadian);

(b) - Clause 1 (a)(ii) hereof will be the value thereof as established in accordance with the agreement on the Closing Date.

(c) - Clause 1 (b) (i) hereof will be:

(i) - \$263,051.73 (Canadian) to Brantford;

(ii) - \$193,964.90 (Canadian) to FRP

plus the cost of assets acquired by Brantford and FRP respectively after May 15th, 1965.

(d) - Clause 1 (b) (ii) hereof will be \$10,000.00 (Canadian) payable to Brantford by Realty

and the respective sums referred to in paragraphs (a), (c) and (d) of this clause are payable in cash on the Closing Date. The price payable for the assets referred to under paragraphs (a), (c) and (d) of this clause is fixed by the agreement. The agreement also sets forth the method for determining the amount payable for inventory referred to under paragraph (b) of this clause.

3. The agreement provides that the Closing Date will be June 30th, 1965, which closing may be postponed as specified in the agreement.

Upon closing, the Sellers are to deliver instruments of transfer to Novo and Novo is to receive certain legal opinions, all as specified in the agreement.

Upon closing, Novo is to deliver the funds and other documents to the Sellers and the Sellers are to receive certain legal opinions as specified in the agreement.

4. The agreement contains provision for Brantford to continue its business to the Closing Date in the ordinary course, for a meeting of the Shareholders of Brantford to approve the agreement to be held by June 26th, 1965, and for Brantford to furnish on the Closing Date such consents or approval to FRP as may be required with respect to the sale of the assets and business of FRP as contemplated by the agreement.

5. Novo agrees that, for a period of six months following the Closing Date, it will cause Realty, as agent of Brantford, to collect the accounts and notes receivable of Brantford, without charge to the Sellers except for out-of-pocket disbursements to be approved in advance by Brantford, all as stated more particularly in Section 10 of the agreement.

6. Novo agrees that on the Closing Date it will cause Realty to assume and undertake to perform various obligations of Brantford and to cause Realty to indemnify and hold the Sellers harmless from such obligations, namely: certain purchase orders entered into by Brantford prior to the Closing Date; certain sales orders to the extent not performed by Brantford; various leases, royalty agreements, collective bargaining and union agreements, employment agreements, group health insurance, group life insurance, pension or relevant (including past service benefits) and various other contracts and commitments, manufacturers warranty with respect to finished goods and replacement and service parts manufactured and shipped by Brantford on or prior to the Closing Date, except as provided in Section 6.4 of the agreement wherein Brantford shall be billed by Realty for repair parts and repair service at Realty's actual cost, and as therein provided. The full terms and provisions specifying the obligations of Novo and Realty in relation to the assumption of the above obligations and the indemnity referred to herein are set out in Section 6 of the agreement and Section 19.6 of the agreement provides that Novo will deliver or cause to be delivered to the Sellers a duly executed assumption agreement whereby Realty undertakes to assume and perform the obligations of the Sellers as provided in Section 6 of the agreement. In addition, under Section 2.1 (a) of the agreement, Novo agrees to assume on the Closing Date the loan and unpaid rental balance owed by Brantford to Realty as at the Closing Date and Section 19.2 of the agreement requires Novo to deliver or cause to be delivered on the Closing Date to the Sellers a duly executed assumption agreement whereby Novo undertakes to assume and perform the obligations of the Sellers as provided in Section 2.1 (a) of the agreement.

SCHEDULE "A" CONTINUED.

7. The Sellers agree that, for a period of two years from the Closing Date, each of them will not (without the prior consent of Novo, or for the express purposes specified in Section 2.6 of the agreement) in the manner stated in the agreement, carry on or be engaged in or be concerned with or interested in, within Canada, the business now being conducted by Brantford or any similar business except on behalf of Novo.

8. On the Closing Date, Brantford will take such action as may be required to change its corporate name so as to eliminate the words "Brantford Coach and Body" therefrom, and Brantford agrees that it will not use the name "Brantford" or the words "Coach" or "Body" or any variant thereof in a business and will consent to the use of such words and name by Novo or Realty.

9. On the Closing Date, Brantford agrees to lease or sub-lease to Realty on the terms set forth in Exhibit I attached to the agreement, for a period of six months thereafter, all Brantford's real property owned or leased by it and used in its business prior to the Closing Date, subject, in the case of a sublease, to the respective landlords consenting to such assignments or subleases.

10. The agreement contains provision that, as a condition to the obligations of both the Sellers and Novo, there shall be obtained the written consent of the Trustee under the Deed of Trust and Mortgage made as of the 1st day of February, 1958, between Realty and The Toronto General Trust Corporation (now known as Canada Permanent Trust Company):

- (a) consenting to the termination of the "Corporation Lease" and appropriate amendments to enable Realty to carry on under the Deed of Trust and Mortgage the business of Brantford; and
- (b) releasing Realty from any liability following closing with respect to any obligations of Brantford, or any parent or subsidiary company of Brantford (other than Realty) under the Deed of Trust and Mortgage

and subject to obtaining the consent of the Trustee, Brantford and Realty will on the Closing Date terminate the "Corporation Lease" and release each other from any and all liabilities and obligations thereunder. In the event of the holding of a meeting of the bond holders prior to the Closing Date for the purpose of consenting to and approving the transactions contemplated by the agreement, provision is made in Section 16.4 of the agreement for the sharing of the expenses and, if the bonds are to be redeemed as provided in Section 16.5, the Sellers will pay to Realty the amount of premium, if any, which Realty pays pursuant to the said Deed of Trust and Mortgage (but not in excess of \$37,500.00) plus the amounts, if any, paid or payable by Sellers pursuant to Section 16.4.

11. Provision is made in the agreement that the closing of the transaction is conditional upon the written consent of Brantford's Unions having been obtained -

- (i) to the assumption by Realty at the closing of Brantford's obligations under its collective bargaining agreements with such Unions and under its pension agreements; and
- (ii) to the substitution of Realty for Brantford under the said pension agreements and Brantford being released from all liability thereunder.

FINANCIAL STATEMENTS

LYBRAND, ROSS BROS. & MONTGOMERY

CERTIFIED PUBLIC ACCOUNTANTS

BALTIMORE BIRMINGHAM BOSTON CHICAGO CINCINNATI CLEVELAND COLUMBUS DALLAS DETROIT FT. WORTH HARTFORD HOUSTON LOS ANGELES LOUISVILLE MINNEAPOLIS NEW BEDFORD NEW HAVEN NEW YORK NILES OAKLAND PHILADELPHIA PITTSBURGH PORTLAND, ME PORTLAND, ORE ROCKFORD ST. LOUIS SALT LAKE CITY SAN FRANCISCO SEATTLE SPRINGFIELD MASS SYRACUSE TULSA WASHINGTON

COOPERS & LYBRAND

IN AREAS OF THE WORLD
OUTSIDE THE UNITED STATES

To the Board of Directors of
The Deltona Corporation:

We have examined the consolidated balance sheet of THE DELTONA CORPORATION and SUBSIDIARIES as of December 31, 1964, and the related consolidated statement of income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements of Brantford Coach and Body Limited and subsidiaries, which statements were examined by chartered accountants whose report thereon has been furnished to us. Our opinion, expressed herein, insofar as it relates to the amounts included for Brantford Coach and Body Limited and subsidiaries, is based solely upon such report. We previously examined and reported upon the Corporation's consolidated financial statements for the year 1963.

In our opinion, subject to the realization of the investment in Brantford Coach and Body Limited and subsidiaries (Note 1), the accompanying statements present fairly the consolidated financial position of The Deltona Corporation and Subsidiaries as of December 31, 1964 and 1963, and the results of their operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

New York, February 12, 1965.

Lybrand, Ross Bros. & Montgomery

THE DELTONA CORPORATION and SUBSIDIARIES CONSOLIDATED BALANCE SHEET December 31, 1964 and 1963

ASSETS:

	1964	1963
Cash	\$ 827,513	\$ 986,799
United States Government obligations, at cost (quoted market value \$180,438 and \$177,000)	200,982	201,329
Contracts receivable for land sales (including approximately \$3,100,000 and \$1,400,000 due within one year) (Note 6)	17,036,006	7,942,382
Less, Allowance for contract cancellations (Note 6)	2,548,784	1,218,776
	14,487,222	6,723,606
Mortgages and other receivables	1,672,392	2,129,416
Land, houses and apartments for sale, at cost:		
Land and improvements	6,752,684	6,245,379
Houses and apartments completed or under construction	1,667,022	2,217,049
	8,419,706	8,462,428
Property, plant and equipment (Note 3)	3,463,675	2,446,373
Less, Accumulated depreciation and amortization	327,364	176,766
	3,136,311	2,269,607
Land held for investment, at cost	5,757,856	5,386,714
Investments (Notes 1 and 8):		
Brantford Coach and Body Limited and subsidiaries	3,021,482	2,897,020
Marco Island Development Corporation:		
Common stock	750,000	
Note receivable, 5%	750,000	
	4,521,482	2,897,020
Canadian manufacturing facilities held for sale (Note 3)	2,087,861	2,471,764
Less, Accumulated depreciation and amortization	1,487,191	1,745,147
	600,670	726,617
Prepaid expenses, deferred charges, etc.	305,356	311,632
	\$39,929,490	\$30,095,168

LIABILITIES:

	<u>1964</u>	<u>1963</u>
Mortgages payable (Note 4)	\$ 8,244,228	\$ 6,971,962
Construction and improvement loans (Note 5)	1,491,595	1,870,015
Notes and loans payable, banks (including approximately \$1,033,000 and \$3,941,000 due within one year) (Note 8)	7,945,702	3,999,277
Accounts payable, trade	1,442,350	1,564,833
Accrued commissions and other expenses	2,078,058	1,204,037
Provision for losses from termination of farm equipment operations (Note 2)	231,159	284,967
Estimated liability for improvements to property sold (Note 6)	3,476,569	1,504,886
Customers' deposits	211,252	230,930
Deferred federal income taxes (Note 6)	1,890,891	885,735
	<u>27,011,804</u>	<u>18,516,642</u>
Commitments and contingencies (Note 8)		
Contributions in aid of construction, less \$9,744 transferred to accumulated amortization (Note 3)	140,868	144,118

STOCKHOLDERS' EQUITY:

Capital stock, \$1 par value, authorized 1,600,000 shares, issued 1,329,595 shares (Note 7)	1,329,595	1,329,595
Capital surplus	9,161,995	9,161,995
Retained earnings, as annexed (Note 8)	2,706,331	1,363,921
	<u>13,197,921</u>	<u>11,855,511</u>
Less, Cost of 33,300 shares of capital stock in treasury	421,103	421,103
	<u>12,776,818</u>	<u>11,434,408</u>
	<u>\$39,929,490</u>	<u>\$30,095,168</u>

**Consolidated Statement of Income and
Retained Earnings
for the years ended
December 31, 1964 and 1963**

	<u>1964</u>	<u>1963</u>
Sales of land, houses and apartments (Note 6)	\$17,709,505	\$10,529,917
Cost of sales	<u>7,831,169</u>	<u>4,435,499</u>
	9,878,336	6,094,418
Commissions, advertising and other selling expenses	4,655,855	2,611,790
Provision for contract cancellations (Note 6)	1,736,535	1,100,414
General and administrative expenses	<u>1,176,506</u>	<u>1,106,085</u>
	7,568,896	4,818,289
	<u>2,309,440</u>	<u>1,276,129</u>
Other deductions (income):		
Interest expense	617,912	304,623
Interest income	(592,263)	(201,640)
Miscellaneous, net	<u>15,843</u>	<u>(54,247)</u>
	41,492	48,736
	<u>2,267,948</u>	<u>1,227,393</u>
Provision for deferred federal income taxes (Note 6)	1,050,000	540,000
Income from real estate operations	<u>1,217,948</u>	<u>687,393</u>
Income from Canadian coach and body operations (Notes 1 and 2)	124,462	160,411
Net income	<u>1,342,410</u>	<u>847,804</u>
Special credit, reduction in provision for federal income taxes resulting from realization of losses provided for in prior year on termination of farm equipment operations		135,213
Net income and special credit	<u>1,342,410</u>	<u>983,017</u>
Retained earnings, beginning of year	1,363,921	380,904
Retained earnings, end of year (Note 8)	<u>\$ 2,706,331</u>	<u>\$ 1,363,921</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- The consolidated financial statements include the Corporation and its wholly-owned subsidiaries, exclusive of Brantford Coach and Body Limited and subsidiaries.

The Corporation's investment in Brantford Coach and Body Limited and subsidiaries is included at cost plus earnings from the date of acquisition to December 31, 1964. As it is the Corporation's intention to dispose of this investment, financial statements of these subsidiaries are not included in the consolidation. It is the opinion of management that the aggregate amount to be realized on disposition of the investment will exceed the Corporation's investment in these subsidiaries.

The provision for Canadian income taxes on the 1964 income from coach and body operations has been reduced by an amount of approximately \$31,500 because of losses of prior years. For the same reason, there was no provision for such taxes in 1963.

In 1964, the Corporation acquired a 50 per cent interest in Marco Island Development Corporation. The Corporation's investment in that company at December 31, 1964 is stated at cost which exceeds its equity in the underlying net assets by \$183,228, one-half of Marco's loss for the period from inception at January 21, 1964 to December 31, 1964. Under the terms of an agreement between the Corporation and Marco, the Corporation is to receive construction and sales fees and overhead reimbursements. Such construction fees earned by the Corporation in 1964 are not material. Sales of Marco land and houses commenced in early 1965.

2. In 1962, farm equipment operations were terminated and certain farm equipment inventories and manufacturing facilities were sold. Provision was made, as of October 31, 1961, for losses related to such termination including estimated expenses incident to the disposition of the remaining receivables, inventories and manufacturing facilities held for sale. Management believes that further losses, if any, in connection with terminated farm equipment operations will not be material.

As it is the intention of the Corporation to dispose of all of its Canadian assets in the near future, assets and liabilities recorded on the books in Canadian currency have been converted at approximately the official pegged rate of exchange in effect since May, 1962. The 1964 transactions of the Canadian coach and body operations have been converted on the basis of approximate rates of exchange in effect at the time of the transactions.

3. Property, plant and equipment comprises:

	1964	1963
Land and land improvements	\$ 313,771	\$ 134,496
Utility plant and equipment	1,321,602	1,083,531
Apartment building and furnishings	118,949	117,544
Other buildings	277,372	212,708
Furniture, fixtures and office equipment	153,621	142,426
Model house furnishings	71,959	86,030
Leasehold improvements	80,723	76,609
Aircraft, automotive and other equipment	332,378	187,159
Construction in progress	758,300	405,870
	<u>\$3,463,675</u>	<u>\$2,446,373</u>

Property, plant and equipment is stated at purchased cost plus \$150,612 estimated cost of contributed utility assets. Such contributions in aid of construction represent estimated water and sewer installation costs incurred by land developers in order to induce one of the utility subsidiaries to provide central water and sewer service.

Amortization of the afore-mentioned estimated contributed water and sewer installation costs is charged to contributions in aid of construction over the useful lives of the related assets on a straight-line basis. Depreciation of other properties, plant and equipment is in general charged to operations over their estimated useful lives on a straight-line basis.

Canadian manufacturing facilities held for sale comprise the remaining fixed assets of the farm equipment operations, as follows:

	1964	1963
Land	\$ 46,103	\$ 65,977
Land improvements	56,208	62,154
Buildings	1,715,662	2,035,630
Machinery and equipment	269,888	304,703
	<u>\$2,087,861</u>	<u>\$2,471,761</u>

These assets are stated at replacement values as appraised at November 30, 1934 in connection with a reorganization, with subsequent additions at cost. No depreciation has been charged since the termination of farm equipment operations in 1952 (see Note 2).

1. The mortgages, which are payable through 1982, are generally purchase money obligations issued by the Corporation or mortgages to which the land was subject at the time of acquisition. Payments required on the principal of the mortgages in 1965 amount to approximately \$1,531,000. Interest rates generally range from 4% to 6% per annum.
5. Construction and improvement loans, principally from banks, bear interest generally at 5% and 6% per annum and are payable generally within six months. The loans are secured by first mortgages on land, houses and apartments and are ordinarily paid from proceeds of the sale of such houses and apartments.
6. The Corporation sells homesites under contracts which generally provide for small down payments with the balance payable in equal monthly instalments over periods which range from 2½ years to 8½ years. Income from such sales is recognized upon receipt of the reservation deposit plus an additional amount equal to one monthly payment. The reservation deposit is equal to two-thirds of the minimum contractual monthly payment thereafter required. The contracts bear interest at 5% per annum.

The Corporation also sells tracts of land (acreage) to be developed by others. Income from such sales is recognized either at the time title passes or, in the case of contracts for agreement for deed, upon receipt of the first required payment.

At the time land is sold, all direct costs and expenses related thereto are charged to income. The portions of such costs relative to development work to be completed subsequent to sale are recorded based upon internal engineering estimates of development costs allocable to lots and tracts sold.

Sales of houses and apartments and all related costs and expenses are recorded at the time of the closings.

Income has been charged with an amount believed to be adequate to provide for contract cancellations. On cancellation of a sales contract in the year in which the sale is recorded, the sale and related costs are eliminated from earnings of the year. The loss resulting from cancellation of a sales contract in a year subsequent to the year of sale is charged to the allowance for contract cancellations.

Sales of homesites and certain other real estate sales are treated as instalment sales for federal income tax purposes. Estimated deferred federal income taxes thereon have been provided for future payments of federal income taxes as the instalment payments are received. Additional federal income taxes have been deferred since interest and real estate taxes applicable principally to land held for investment, which are recorded as additions to capital assets, are treated as expenses for federal income tax purposes.

7. At December 31, 1964, there were options outstanding to purchase 56,000 shares of the Corporation's common stock under a restricted stock option plan adopted by the Corporation in 1963 and approved by the stockholders in May, 1964. The outstanding options were granted to purchase 11,000 of such shares at \$11.756 per share, and 15,000 of such shares at \$13.612 per share, 95% and 110%, respectively, of the market values at the dates of grant. Options are exercisable at the annual rate of 20% of the number of shares granted, cumulatively. None of these options have been exercised, and at December 31, 1964, 22,400 shares were exercisable. All options granted expire on February 19, 1968, or earlier in cases of death or termination of employment.

NOTES TO FINANCIAL STATEMENTS CONTINUED.

8. Under a loan agreement dated January 31, 1964, as amended, the Corporation is indebted at December 31, 1964, in the amount of \$6,874,278 on notes payable to banks. The notes, which bear interest at 6% per annum, are payable on February 1, 1966, or prior thereto upon the sale of certain assets. The Corporation has pledged as collateral for these notes the stock of its wholly-owned subsidiaries, Brantford Coach and Body Limited, Seaboard Utilities Corporation and Southwest Tampa Utility Company, and the Corporation's investment (note receivable and stock) in Marco Island Development Corporation. The loan agreement, among other things, limits payments of cash dividends and payments for reacquisition of capital stock to the amount that net cash flow, as defined, from January 1, 1964, to the date of such payment, exceeds \$1,000,000. At December 31, 1964, no such payments may be made. The Corporation is obligated under additional notes payable to the same banks in the amount of \$1,000,000. The Corporation is currently negotiating to extend the maturities of the notes payable to these banks.

The Corporation is obligated to install central water mains from which purchasers of lots may obtain water service by the payment of a fee for connection to the central water main. The cost of installing such central water mains and of constructing the necessary water plant has not been recorded as a liability since these costs will be capitalized and depreciated over the useful lives of the assets. Management estimates that the allocated cost of installing such facilities to service the number of lots which have been sold will be \$1,277,000, of which approximately \$435,000 has been expended at December 31, 1964. The Corporation also provides gas and sewerage service to houses it sells, but not to areas in which lots are being sold. The cost of gas and sewerage lines and related facilities is being capitalized and depreciated over the useful lives of the assets.

The franchise granted by the City of Tampa to Southwest Tampa Utility Company, a wholly-owned subsidiary, expired on December 24, 1961. Since December 24, 1961, the city had the right to acquire the utility's sewer lines, but not its sewerage plants and land, at no cost to the city. The city has indicated that it will exercise its right on March 15, 1965. In management's opinion, the loss, if any, to be incurred as a result of the city's decision will be minor. Net income of this subsidiary for the year ended December 31, 1964 is not significant.

9. For purposes of comparison, minor reclassifications have been made in the accompanying balance sheet at December 31, 1963.

On behalf of the Board of Directors of The
Deltona Corporation, the undersigned wish to advise you
as follows: -

1. Since December 31st, 1964, there has been no material adverse change in the financial position of the Company.
2. Since that date the funds of the Company have been derived from the operations of the Company in the ordinary course and from bank loans and have been applied for general corporate purposes.

DATED this *twelfth* day of June, 1965.

J. E. ...

Director

J. E. ...

Director

20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.

In 1964 the Company participated in the incorporation of Marco Island Development Corporation, a Florida Corporation incorporated on the 21st day of January, 1964, having two classes of shares, namely Class "A" and Class "B". Marco Island Development Corporation has issued and outstanding 30,000 of each of these two classes of shares. The Company owns all of the said Class "A" shares and in addition it holds the 5% note of Marco Island Development Corporation in the total amount of U.S. \$750,000 (shown on the balance sheet of the Company as at December 31, 1964). An investors group consisting of Barron Collier, Jr., Mrs. Isabel Collier Read, other members of the Collier family, as individuals, Gerry Brothers & Co., Canadian Interurban Properties Limited, Canadian Power and Paper Securities Limited, Dramis International Limited, and Howard Wert own all of the issued and outstanding Class "B" shares of Marco Island Development Corporation, and have made long term loans to that Company in the aggregate of U.S. \$2,250,000. Marco Island Development Corporation has a Board consisting of eight Directors, being the following:

F. E. Mackle, Jr.
Elliot J. Mackle
Robert Mackle
N. K. Winston

Howard Wert
Henry Gerry
Barron Collier, Jr.
Harold Lynton

For further particulars of Marco Island

Development Corporation, reference may be made to the press release of the Company dated March 12, 1964, on file with the Toronto Stock Exchange, and to Item No. 17 above.

There are no other material facts.

There are no shares of the Company in the course of primary distribution. However, reference is made to paragraphs 6 and 7 above.

CERTIFICATE OF THE COMPANY

DATED June 10, 1965

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

THE MELTONA CORPORATION.

"F. E. Mackle, Jr." [Signature]

CORPORATE
SEAL

"R. F. Mackle" [Signature]

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

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THE EXCHANGE HAS NEITHER APPROVED NOR DISAPPROVED THE INFORMATION CONTAINED IN THIS AMENDING FILING STATEMENT, WHICH IS A REPRODUCTION OF THE ORIGINAL FILED WITH THE EXCHANGE BY THE COMPANY AND IS ISSUED FOR INFORMATION PURPOSES ONLY. THIS AMENDING FILING STATEMENT IS NOT TO BE REPRODUCED IN WHOLE OR IN PART WITHOUT THE WRITTEN APPROVAL OF THE TORONTO STOCK EXCHANGE.

TORONTO STOCK EXCHANGE

AMENDING FILING STATEMENT NO. 302.
FILED, DECEMBER 2nd, 1965.

File

THE DELTONA CORPORATION

Full corporate name of Company

AMENDING FILING STATEMENT

(To be filed with respect to any change in a Filing Statement filed within a period of six months)

To be read in conjunction with Filing Statement No. 1330 June 10, 1965

Brief statement of the material change in the affairs of the company in respect of which this amending filing statement is filed.

Clause 2 of Schedule "A" of previous Filing Statement No. 1330 shall be changed to read as follows:-

"As a result of such transaction, the aggregate sum of \$1,827,025.76, in cash, was received by Brantford and FRP as of October 31st, 1965 on account of the sale of assets and the proceeds of sale of physical inventory consigned unto Realty; Brantford, directly or indirectly, was relieved of any obligations with respect to the then issued and outstanding bonds of Realty in the aggregate principal sum of \$998,000, except as specified in paragraph 10 of Schedule "A" of the previous Filing Statement No. 1330; and physical inventory valued in accordance with the terms of the agreement, was consigned unto Realty of which there remained as of October 31st, 1965, physical inventory having a value of \$901,254.08. Brantford retained ownership of lands and buildings in which certain of its branches formerly carried on business and which have been listed for sale for the aggregate price of \$900,000 (including award payable on the anticipated expropriation in whole or in part of the Toronto branch property of Brantford). The said cash sums so received have been used by Brantford to redeem its bank loan and its indebtedness as of the date of closing, in the aggregate sum of \$2,360,000, and to meet its current obligations, but no final decision has been made as to the disbursement of the balance of the proceeds to be received by Brantford."

20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.

The Company's wholly owned subsidiary, Brantford Coach and Body Limited, changed its name to Deltona of Canada Limited, by Supplementary Letters Patent issued by the Secretary of State of Canada, as at July 2, 1965. On June 30, 1965, the transactions contemplated by the agreement dated May 21, 1965, a copy of which is on file with the Toronto Stock Exchange, and as summarized in previous Filing Statement No. 1330, was completed. There are no other material facts. There are no shares of the Company in the course of primary distribution. However, reference is made to paragraphs 6 and 7 of previous Filing Statement No. 1330.

DATED November 13th 1965.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"F.E. Mackle Jr." Per: F.E. Mackle Jr.

President

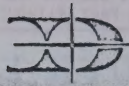
CORPORATE SEAL

"F.E. Mackle"

Secretary

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)



The Deltona Corporation

EXECUTIVE OFFICES 3250 S.W. THIRD AVENUE • MIAMI, FLORIDA
TELEPHONE FR 7-8111

November 4, 1965

To The Stockholders:

Operations during the first nine months of 1965 produced record earnings for The Deltona Corporation. After-tax profits, benefiting to an important degree from our work at Marco Island, amounted to \$1,217,425 or 94 cents per share, a gain of 27.3 per cent over the same nine-month period a year ago.

The Company's unaudited figures for the nine months ended September 30 show:

	<u>. 1965</u>	<u>1964</u>
TOTAL SALES, Real Estate Operations	\$11,265,449	\$12,375,161
Income Before Taxes, Real Estate	983,099	1,514,158
Provision for Taxes	484,827	688,152
Income After Taxes, Real Estate	498,272	826,006
Income From Affiliate -- Marco Island Development Corporation	628,207	--
Income From Subsidiary -- Brantford Coach & Body Limited	90,946	130,068
TOTAL NET INCOME	1,217,425	956,074
Earnings per Share	.94	.74

Anticipating a rising volume of business during the final quarter of this year, we expect that the Company's results for the full 1965 year will be appreciably better than those of 1964.

The above Total Sales figure does not include \$11,428,222 in sales of homes and homesites at Marco Island, our new 10,000-acre community planned for resort and leisure living on Southwest Florida's Gulf Coast. If the Marco Island sales were consolidated, our Total Sales for the nine-month period would have been \$22,693,671, or more than 83 per cent ahead of the year-ago figure.

Marco Island sales are carried out through The Deltona Corporation's international network of branch sales offices and franchised representatives. However, as 50 per cent owner of Marco Island Development Corporation, which in turn owns the Marco property, your Company reports only its share of the after-tax profits from the Marco Island operation.

Total sales of \$11,265,449 listed above relate principally to Deltona, our 15,000-acre planned community between Orlando and Daytona Beach. At that property, during the past several months we have steadily applied a heavier emphasis on the sale of homes rather than homesites. The results have been good.

We believe that a high proportion of home sales is essential for the continued sound growth of a planned community. And we feel that it is important in terms of the sales potential and value of the remaining property in the community, as well as the favorable effect upon shopping center, industrial, rental and utility operations. Therefore, observing that our rate of home sales was not increasing rapidly enough at Deltona and at other Company-owned properties at Lake Maitland and Daytona Beach, we instituted the program of increased home sales emphasis.

This new stress on housing sales cut to some degree into the volume of lot sales which would have been reported for the current period. And the increased rate of home sales in the third quarter will not, for the most part, be reflected on our reports until the fourth quarter and even later, for we do not record a home sale until the house is completed and financed and the entire transaction "closed."

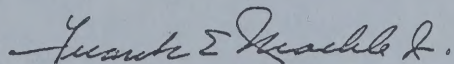
But it is significant that our increased housing emphasis has produced the greatest housing backlog -- homes that have been sold but not yet completed and recorded on our books -- that we have ever had. As of September 30, the backlog amounted to more than \$2.5 million. All are sales which will produce income in future periods.

The Company's income from Brantford Coach & Body Limited, our former Canadian manufacturing subsidiary, was considerably less in the 1965 period than in 1964. You will recall that your Company consummated an agreement on June 30, 1965 with Novo Industrial Corporation for the sale of Brantford's business and certain of its assets to a Novo subsidiary. Therefore, this year we derived income from Brantford for only six of the nine months.

The majority of the assets which were not sold to Novo are expected to be converted into cash according to schedule in the near future. We estimate that when all the assets have been liquidated, our total cash realization -- after payment of liabilities and related expenses -- will be more than \$3 million.

Through this sale and liquidation we are achieving our long-standing purpose of converting Brantford's assets into cash approximating book value.

Sincerely,



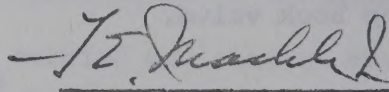
F. E. Mackle, Jr.
President

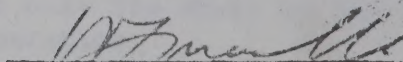
TO: The Toronto Stock Exchange,
234 Bay Street,
Toronto 1, Ontario.

On behalf of the Board of Directors of The
Deltona Corporation, the undersigned wish to advise you
that since the date of previous Filing Statement No.
1330:-

1. There has been no material adverse change
in the financial position of the Company.
2. A major portion of the funds of the Company
has been derived from the operations of the Company in
the ordinary course and from bank loans and has been
applied for general corporate purposes of the Company.
3. The Company's wholly-owned subsidiary, Deltona
of Canada Limited (formerly known as Brantford Coach and
Body Limited), has retired its bank loan and its indebted-
ness as of June 30th, 1965 in the aggregate sum of \$2,360,000.

DATED this 23rd day of November, 1965.


Director


Director